

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 26, 2024

Volume 17 Issue 229

Market Overview



Signals Overview

| Aggregator | CBI Reading |
|------------|-------------|
| Flat | 0 |

Tonight's Research Points

- A Triple-70 Breadth Thrust triggered on Monday.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. I am as well.

Summary of Current Active Studies (see Letters from listed dates for details)

| Study Date | Description | Time span | Bias | Avg Run-up | Avg DrawDn | Avg DrawDn - 1 Std Dev |
|----------------------------|---|-------------|---------|------------|------------|------------------------|
| Active - Short Term | | | | | | |
| November 25, 2024 | Up 5 < 50 high < 3% > 200ma | 1-8 days | Bullish | 1.80% | -1.05% | -2.20% |
| November 22, 2024 | SPX up 4 but < 10-high | 1-4 days | Bullish | 1.80% | -0.60% | -1.35% |
| Active - Long Term | | | | | | |
| November 26, 2024 | Triple 70 Thrust | 1-80 days | Bullish | 9.40% | -4.60% | -11.20% |
| November 13, 2024 | 5 up to 50-high then down 1 day | 1-10 days | Bullish | 1.80% | -1.10% | -2.30% |
| November 8, 2024 | 50-day %b > 100 | 1-50 days | Bullish | 4.90% | -4.40% | -8.90% |
| September 30, 2024 | NASDAQ Leading | int term | Bullish | | | |
| September 23, 2024 | Fed neutral. QT active. Rates dropping. | int term | Neutral | | | |
| July 8, 2024 | NDX 18% above 200ma | 1-90 days | Bullish | 14.50% | -9.40% | -18.90% |
| June 14, 2024 | SPX new high with < 50% stocks > 100ma | 1-18 months | Bearish | | | |
| March 4, 2024 | Jan & Feb both close positive | 1-10 months | Bullish | | | |
| February 2, 2023 | SPX Golden Cross | int term | Bullish | | | |

The Evidence

The market just keeps going up. The SPX gained 0.30%, the NASDAQ rose 0.27%, and the Russell 2000 climbed 1.47%. Breadth was strong as the NYSE Up Issues % was 74% and the Up Volume % came in at 70%. NYSE total volume spiked higher.

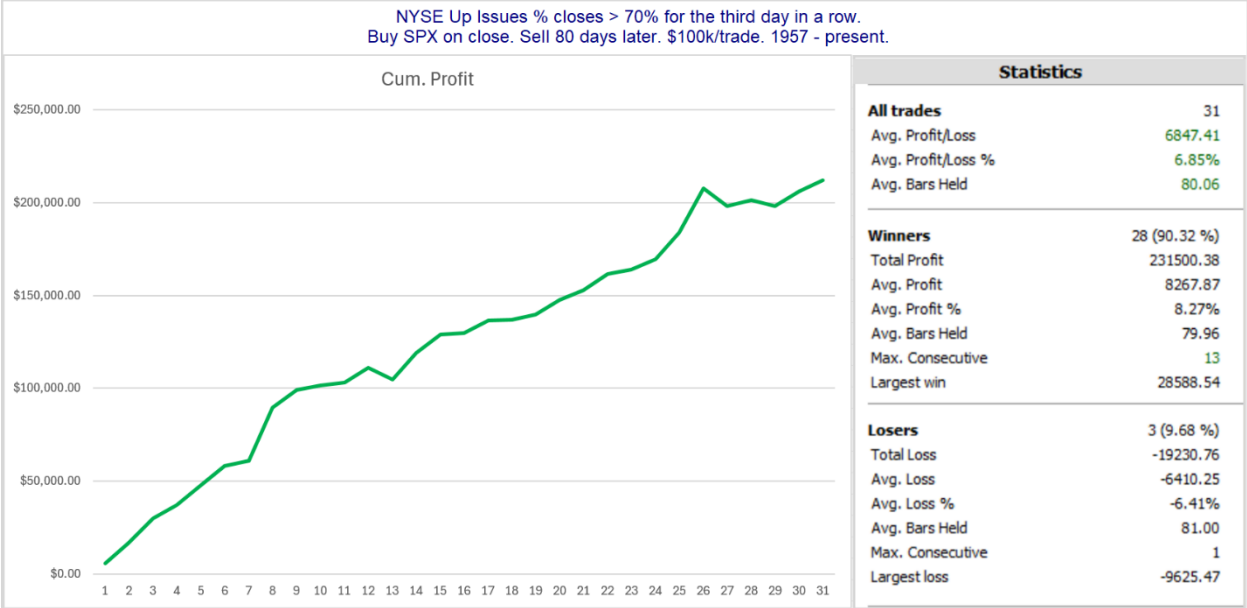
The study below was last seen in the 7/15/24 letter. It looks at other times that breadth came in strong for 3 days in a row. I have shown this study many times over the years. I often refer to it as a Triple-70 Thrust, because it requires the NYSE Up Issues % to close at 70% or greater for 3 days in a row. Stats are updated.

| NYSE Up Issues % closes > 70% for the third day in a row. Buy SPX on close. Sell "Days In" days later. \$100k/trade. 1957 - present. | | | | | | | | | |
|---|----------|--------------|-------------|--------------|-----------------|---------------|---------------|-----------------|--|
| DaysIn | # Trades | # of winners | # of losers | % of Winners | W. Avg % Profit | L. Avg % Loss | Profit Factor | Avg Profit/Loss | |
| 100 | 28 | 24 | 4 | 85.71 | 10.28 | -6.06 | 10.18 | \$7,947.02 | |
| 95 | 28 | 24 | 4 | 85.71 | 9.37 | -6.19 | 9.09 | \$7,150.19 | |
| 90 | 30 | 27 | 3 | 90 | 8.67 | -5.36 | 14.56 | \$7,269.48 | |
| 85 | 30 | 26 | 4 | 86.67 | 8.54 | -4.5 | 12.33 | \$6,802.37 | |
| 80 | 31 | 28 | 3 | 90.32 | 8.26 | -6.41 | 12.02 | \$6,837.08 | |
| 75 | 32 | 28 | 4 | 87.5 | 8.05 | -7.02 | 8.03 | \$6,170.28 | |
| 70 | 32 | 28 | 4 | 87.5 | 7.12 | -4.87 | 10.23 | \$5,624.38 | |
| 65 | 32 | 26 | 6 | 81.25 | 7.36 | -4.36 | 7.32 | \$5,162.21 | |
| 60 | 33 | 27 | 6 | 81.82 | 7.61 | -4.93 | 6.94 | \$5,326.40 | |
| 55 | 34 | 28 | 6 | 82.35 | 7.22 | -4.65 | 7.25 | \$5,122.59 | |
| 50 | 34 | 27 | 7 | 79.41 | 7.75 | -5.25 | 5.69 | \$5,075.65 | |
| 45 | 37 | 29 | 8 | 78.38 | 6.95 | -5.04 | 4.99 | \$4,355.30 | |
| 40 | 39 | 28 | 11 | 71.79 | 6.55 | -5.36 | 3.11 | \$3,190.52 | |
| 35 | 41 | 33 | 8 | 80.49 | 4.81 | -4.48 | 4.43 | \$2,999.76 | |
| 30 | 41 | 30 | 11 | 73.17 | 5.34 | -3.32 | 4.39 | \$3,015.86 | |
| 25 | 41 | 30 | 11 | 73.17 | 4.76 | -2.93 | 4.44 | \$2,701.36 | |
| 20 | 42 | 31 | 11 | 73.81 | 4.4 | -3.25 | 3.82 | \$2,399.08 | |
| 15 | 42 | 32 | 10 | 76.19 | 3.63 | -3.76 | 3.1 | \$1,873.94 | |
| 10 | 45 | 32 | 13 | 71.11 | 2.93 | -3.54 | 2.04 | \$1,061.83 | |
| 5 | 47 | 31 | 16 | 65.96 | 1.83 | -2.34 | 1.52 | \$410.89 | |

There are a lot of positive numbers and the edge generally appears to be to the upside. Results between 70 and 90 days appear especially strong and consistent. Below is the full list with an 80-day exit.

| NYSE Up Issues % closes > 70% for the third day in a row. Buy SPX on close. Sell 80 days later. \$100k/trade. 1957 - present. | | | | | | | | | |
|--|------------|---------|------------|------------|-------------|----------|----------------|---------------|--------------|
| Symbol | Entry Date | Price | Exit Date | Exit Price | Profit | % Profit | Cum. Profit | Drawdown | Run-up |
| \$\$PX | 1/3/1958 | 40.87 | 4/28/1958 | 43.22 | \$5,749.94 | 5.75% | \$5,749.94 | -1.22% | 6.09% |
| \$\$PX | 11/5/1962 | 58.35 | 3/4/1963 | 64.72 | \$10,916.88 | 10.92% | \$16,666.82 | -1.13% | 14.76% |
| \$\$PX | 1/9/1967 | 82.81 | 5/3/1967 | 93.91 | \$13,404.18 | 13.40% | \$30,071.00 | -1.74% | 14.44% |
| \$\$PX | 5/29/1970 | 76.55 | 9/22/1970 | 81.86 | \$6,936.64 | 6.94% | \$37,007.64 | -7.66% | 9.44% |
| \$\$PX | 10/11/1974 | 71.14 | 2/5/1975 | 78.95 | \$10,978.35 | 10.98% | \$47,985.99 | -9.85% | 10.98% |
| \$\$PX | 1/5/1976 | 92.58 | 4/28/1976 | 102.13 | \$10,315.40 | 10.32% | \$58,301.40 | -1.87% | 13.02% |
| \$\$PX | 1/5/1979 | 99.13 | 5/1/1979 | 101.68 | \$2,572.38 | 2.57% | \$60,873.78 | -3.78% | 4.86% |
| \$\$PX | 8/18/1982 | 108.54 | 12/10/1982 | 139.57 | \$28,588.54 | 28.59% | \$89,462.31 | -0.18% | 33.00% |
| \$\$PX | 3/3/1983 | 153.48 | 6/27/1983 | 168.46 | \$9,760.23 | 9.76% | \$99,222.54 | -2.84% | 11.81% |
| \$\$PX | 8/3/1984 | 162.35 | 11/27/1984 | 166.29 | \$2,426.86 | 2.43% | \$101,649.40 | -2.68% | 4.96% |
| \$\$PX | 12/26/1991 | 404.84 | 4/21/1992 | 410.26 | \$1,338.80 | 1.34% | \$102,988.20 | -3.07% | 4.04% |
| \$\$PX | 3/21/2007 | 1435.04 | 7/16/2007 | 1549.52 | \$7,977.48 | 7.98% | \$110,965.68 | -1.82% | 8.37% |
| \$\$PX | 1/2/2009 | 931.8 | 4/29/2009 | 873.64 | -\$6,241.68 | -6.24% | \$104,724.00 | -28.44% | 1.29% |
| \$\$PX | 7/15/2009 | 932.68 | 11/5/2009 | 1066.63 | \$14,361.84 | 14.36% | \$119,085.83 | -2.42% | 18.09% |
| \$\$PX | 7/9/2010 | 1077.96 | 11/1/2010 | 1184.38 | \$9,872.35 | 9.87% | \$128,958.19 | -3.55% | 10.96% |
| \$\$PX | 3/21/2011 | 1298.38 | 7/14/2011 | 1308.87 | \$807.93 | 0.81% | \$129,766.12 | -3.10% | 5.56% |
| \$\$PX | 9/15/2011 | 1209.11 | 1/10/2012 | 1292.08 | \$6,862.07 | 6.86% | \$136,628.19 | -11.11% | 6.91% |
| \$\$PX | 3/9/2012 | 1370.87 | 7/3/2012 | 1374.02 | \$229.78 | 0.23% | \$136,857.97 | -7.60% | 3.76% |
| \$\$PX | 7/3/2012 | 1374.02 | 10/25/2012 | 1412.97 | \$2,834.75 | 2.83% | \$139,692.72 | -3.54% | 7.31% |
| \$\$PX | 6/27/2013 | 1613.2 | 10/21/2013 | 1744.66 | \$8,149.02 | 8.15% | \$147,841.74 | -0.75% | 8.19% |
| \$\$PX | 4/1/2014 | 1885.52 | 7/25/2014 | 1978.34 | \$4,922.78 | 4.92% | \$152,764.52 | -3.77% | 5.61% |
| \$\$PX | 2/17/2016 | 1926.82 | 6/10/2016 | 2096.07 | \$8,783.90 | 8.78% | \$161,548.42 | -1.86% | 10.05% |
| \$\$PX | 6/30/2016 | 2098.86 | 10/24/2016 | 2151.33 | \$2,499.93 | 2.50% | \$164,048.35 | -1.38% | 4.52% |
| \$\$PX | 12/7/2016 | 2241.35 | 4/4/2017 | 2360.16 | \$5,300.82 | 5.30% | \$169,349.17 | -1.45% | 7.12% |
| \$\$PX | 1/8/2019 | 2574.41 | 5/3/2019 | 2945.64 | \$14,420.00 | 14.42% | \$183,769.18 | -1.04% | 14.75% |
| \$\$PX | 3/26/2020 | 2630.07 | 7/21/2020 | 3257.3 | \$23,848.41 | 23.85% | \$207,617.59 | -6.94% | 24.28% |
| \$\$PX | 5/27/2022 | 4158.24 | 9/22/2022 | 3757.99 | -\$9,625.47 | -9.63% | \$197,992.12 | -12.54% | 4.02% |
| \$\$PX | 1/12/2023 | 3983.17 | 5/9/2023 | 4119.17 | \$3,414.37 | 3.41% | \$201,406.49 | -4.38% | 5.33% |
| \$\$PX | 7/13/2023 | 4510.04 | 11/3/2023 | 4358.34 | -\$3,363.61 | -3.36% | \$198,042.88 | -9.01% | 2.15% |
| \$\$PX | 5/6/2024 | 5180.74 | 8/29/2024 | 5591.96 | \$7,937.48 | 7.94% | \$205,980.36 | -1.19% | 9.44% |
| \$\$PX | 9/16/2024 | 5633.09 | 11/25/2024 | 5987.37 | \$5,969.19 | 6.29% | \$212,269.63 | -0.51% | 6.88% |
| | | | | | | | Average | -4.59% | 9.42% |

Lots of strong rallies seen here. Drawdowns > 10% are highlighted in red and run-ups of > 10% are highlighted in green. Next is the curve and the stats.



Impressive looking curve and stats. I've included this study on the intermediate-term active list.

I have updated [the Aggregator chart](#) below.



With tonight's evidence considered, the green Aggregator Line remained above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line held below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are positive but SPX is overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines close on opposite sides of zero. Therefore, the Aggregator formation stayed flat at the close.

Based on the current active studies, expectations are slated to remain positive on Tuesday. This could change if strong new bearish evidence emerges. Meanwhile, the Differential Pivot will be 5976.16. That is 0.2% below Monday's close. Therefore, SPX will only need to close down 0.2% on Tuesday in order to flip back to oversold versus recent expectations.

So the Aggregator is again neutral. And Monday did not change anything for the short-term. While evidence is pointing higher, the overbought SPX dampens reward/risk. My short-term index exposure is currently flat, and I do not see a reason to change that. So I will remain aware and ready. But I won't be taking any new index exposure on Tuesday.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 11/25 – **bullish***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

None

Broad Market Large Cap CBI – 0

Additional New Trade Ideas

A full listing of system triggers can be found at the [numbered systems page](#) each night. I will cherry pick some of my favorite setups from the S&P 100 and ETF lists along with occasional other trade ideas to track below.

None tonight.

Current Open Trade Ideas

| Symbol | Entry Date | Entry Price | Current Price | % Gain/Loss | Notes |
|---------------|-------------------|--------------------|----------------------|--------------------|---------------------|
| LLY(1/3) | 11/19/2024 | \$716.31 | \$755.00 | 5.40% | <i>sell on open</i> |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

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